



Tanuja Majety - WPH1AC &lt;tanuja.majety@gsa.gov&gt;

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**Re: Fw: Information for CAC-MOTIR JV**

2 me age

**Chrischanda Smith - WPH1AC** <chrischanda.smith@gsa.gov>

Fri, May 29, 2020 at 9:03 AM

To: "Sheard, Alisa" &lt;Alisa.Sheard@sba.gov&gt;

Cc: "Mackin, Shuraie L " Shuraie Mackin@ ba gov , "Mannion, Pamela A " Pamela Mannion@ ba gov

Bcc: tanuja.majety@gsa.gov

Good Morning Ms. Sheard:

As an initial matter, GSA's solicitation for this project was for a firm, fixed-price design-build contract. During the solicitation phase, GSA asked CAC/Motir (JV) to provide two proposals for consideration: 1) a proposal with a fast-tracked schedule and 2) a proposal with the schedule as set forth in the solicitation's statement of work. GSA chose not to award the proposal with the fast-tracked schedule. However, JV has insisted that the fast-tracked schedule was included in the contract award and has repeatedly asked that we provide additional funding based upon that proposal. This fact, in addition to others discussed below, indicate that JV does not understand the basic principles of contract formation, what a firm, fixed-price contract is or how the design-build procurement and project management methodology works.

For example, JV repeatedly asserts, as it did so in its April 14, 2020 letter to SBA that the contract award value was to be an estimate not a definite price. Similarly, JV has repeatedly asserted that the contract is a cost-reimbursement type contract. However, the SF1442, the executed award document, clearly states that this contract is a firm-fixed price contract.

Another example of JV's misunderstanding of contract formation relates to the contract's unit pricing. GSA solicited for, and incorporated into the contract, JV's proposed unit pricing for abatement. Accordingly, the value for all unit pricing was provided by JV and GSA accepted them. Despite this agreement, JV has submitted proposals for abatement that use unit pricing that is greater than the agreed upon values as set forth in the contract.

Another example of this misunderstanding is how JV repeatedly submits proposals with costs incurred for re-work performed as a result of JV's poorly managed on-site field coordination or poor craftsmanship. Per the contract's FAR clause 52.246-12(f), JV is not entitled to compensation for this work. For instance, several walls have been opened and refinished multiple times by various subcontractors/vendors due to poor sequencing of work - the work should have been sequenced such that these activities followed in a logical order. JV is not entitled to compensation for the re-work due to improper sequencing of the work.

With respect to your specific questions, the above discussion demonstrates that it has been difficult to reach bilateral agreements with JV for change orders when JV does not understand the terms of the contract and it repeatedly submits pricing that is higher than the contract pricing and includes costs that are not recoverable. In addition, JV routinely submits proposals that do not include the required supporting documentation to substantiate actual cost overruns and/or entitlement. Without the necessary documentation, GSA cannot perform a proper analysis of the proposals and it cannot compare the proposals to GSA's estimates.

Lastly, GSA received a letter from JV on May 27, 2020 responding to the government's request for JV's remobilization plan. Within that response, JV noted it is in the process of completing a financial transaction which will allow it to remobilize. Through previous correspondence, JV stated its decision to suspend on-site work activities was in response to the COVID-19 pandemic and protecting the health and safety of its workforce. It now appears its decision to suspend work is based on financial concerns. GSA will request additional details from JV on the referenced financial transaction.

We appreciate your offer to help. In our view, JV needs counseling to better understand its contract. Additionally, JV needs help with creating a re-mobilization plan that it can adhere to; preparing proposals for change orders; and financial assistance to complete the project. Perhaps, SBA could provide the necessary counseling and provide guidance to JV to help it create the re-mobilization plan and help JV to prepare proposals that comply with the

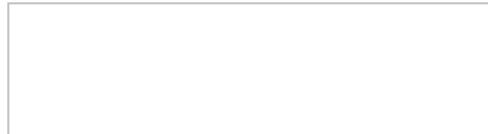
contract's GSAR clause 552.243-71 which requires JV to include sufficient information for GSA's analysis. It may also be helpful if SBA could facilitate the resolution of the 3rd party payment arrangements.

On Tue, May 26, 2020 at 1:53 PM Sheard, Alisa <[Alisa.Sheard@sba.gov](mailto:Alisa.Sheard@sba.gov)> wrote:

Chrischanda,

To tag onto Shuraie's email, this is extremely helpful, could you also share some of the reasons why a bilateral agreement hasn't been reached? Are the firm's costs not clearly tied to labor and materials? Does the government have a lower cost estimate for certain tasks? Is there anything that SBA can do to help both parties reach an agreement?

Alisa Sheard  
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**From:** Chrischanda Smith - WPH1AC <[chrischanda.smith@gsa.gov](mailto:chrischanda.smith@gsa.gov)>  
**Sent:** Tuesday, May 26, 2020 1:16 PM  
**To:** Mackin, Shuraie L. <[Shuraie.Mackin@sba.gov](mailto:Shuraie.Mackin@sba.gov)>  
**Cc:** Sheard, Alisa <[Alisa.Sheard@sba.gov](mailto:Alisa.Sheard@sba.gov)>; Mannion, Pamela A. <[Pamela.Mannion@sba.gov](mailto:Pamela.Mannion@sba.gov)>  
**Subject:** Re: Fw: Information for CAC-MOTIR JV

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Good Afternoon Ms. Mackin: Please see the response below. Let me know if you have any questions or need further clarification.

Thank you,

Those CEs were captured in mod PS0001. At the time we executed the unilateral modification, we had not received cost proposals for the CEs. With the exception of CE08R1 (fire rated doors in the childcare center which was recently settled after changes from the fire marshal), GSA did not receive proposals for the other items in a timely manner. In our efforts to get cash flow to JV, we issued PS0001. The government and JV continued to negotiate those CEs even after PS0001 was issued. However, we have never reached bilateral agreement due to disagreements in pricing.

On Tue, May 26, 2020 at 11:15 AM Mackin, Shuraie L. <[Shuraie.Mackin@sba.gov](mailto:Shuraie.Mackin@sba.gov)> wrote:

Hello Chrischanda,

I am trying to take this piece by piece for my understanding On attachment "B" from CAC MOTIR JV as it relates to "Change Estimates submitted and approved" for items where total funding was not approved is there a discrepancy in cost or additional information is needed. (CE01 thru CE03), CE 05, CE06, CE08R1, CE12, CE13, CE15R1, CE12,CE 13, CE15R1, CE20, CE30, CE36, and HVAC at collocation for \$282,597 00

I just trying to digest this in small pieces. I will reach out to them today about the status on setup of the third party account.

Thanks Again

Shuraie L Mackin  
Deputy District Director  
Washington Metropolitan Area District Office (WMADO)  
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**From:** Mackin, Shuraie L [Shuraie Mackin@ ba gov](mailto:Shuraie.Mackin@ba.gov)  
**Sent:** Thursday, May 21, 2020 4:08 PM  
**To:** Sheard, Alisa [Alisa Sheard@ ba gov](mailto:Alisa Sheard@ ba.gov)  
**Subject:** Fw: Information for CAC-MOTIR JV

Shuraie L. Mackin  
Deputy District Director  
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**From:** Emmanuel Irono <(b) (6)@motirservices.com>  
**Sent:** Friday, May 15, 2020 12:09 PM  
**To:** Mackin, Shuraie L. <Shuraie.Mackin@sba.gov>  
**Cc:** Mannion, Pamela A. <Pamela.Mannion@sba.gov>; (b) (6)@motirservices.com  
<(b) (6)@motirservices.com>  
**Subject:** Information for CAC-MOTIR JV

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Good Afternoon Ms. Mackin,

Please see the attached information as a follow-up from our last conference call. We are happy to schedule a call once you have had a chance to review the information.

Stay Safe.

-  
**Emmanuel Irono, President & CEO**  
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**Chrischanda Smith - WPH1AC** <[chrischanda.smith@gsa.gov](mailto:chrischanda.smith@gsa.gov)>

Wed, Jun 3, 2020 at 2:23 PM

To: "Sheard, Alisa" <[Alisa.Sheard@sba.gov](mailto:Alisa.Sheard@sba.gov)>

Cc: "Mackin, Shuraie L." <[Shuraie.Mackin@sba.gov](mailto:Shuraie.Mackin@sba.gov)>, "Mannion, Pamela A." <[Pamela.Mannion@sba.gov](mailto:Pamela.Mannion@sba.gov)>

Bcc: [tanuja.majety@gsa.gov](mailto:tanuja.majety@gsa.gov)

Good Afternoon Ms. Manion, Ms. Mackin and Ms. Sheard:

On May 29, 2020 GSA provided a response to your email regarding the GSA and CAC/Motir's inability to reach a settlement agreement on CE's as well as suggesting how SBA could assist with the 1800 F Collocation project.

Subsequently, a Cure Notice was issued to the JV on May 29, 2020 to provide a re-mobilization plan, schedule and decision matrix as well as start work on the HVAC system.

On 6/2/2020 GSA received communication from the JV Lawyer, Mr. Tillman Finley, requesting a 10 day extension. On 6/3/2020 we received communication from the JV surety in response to the cure notice as well. GSA will extend the due date of the deliverables to Friday, June 12, 2020.

Does SBA have any follow up questions or a response to our communication sent 5/29/2020? Should SBA assist the JV in any capacity would you inform GSA? Lastly, if a need should arise, does SBA assist government agencies with executing take over agreements with sureties.

Thank you,

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